

Building a Fairer Society: consultation paper on inequality in Wales

Response by the Bevan Foundation

1. Introduction

- 1.1. The Bevan Foundation develops new, evidence-based ideas to make Wales a better place. It is a registered charity, independent of government, any political party or point of view. It is funded by membership subscriptions and donations, grants from charitable trusts, and by trading as a social enterprise.
- 1.2. We work in partnership with the Joseph Rowntree Foundation on some issues and advise on JRF's current programme to develop the first evidence-based UK Anti-Poverty Strategy. The evidence cited in this paper on poverty issues is substantially drawn from the work of the Joseph Rowntree Foundation and the Bevan Foundation's own work.
- 1.3. We welcome the opportunity to contribute to this important paper produced by the Welsh Liberal Democrats. We have been working on social and economic inequality for more than 10 years and are pleased to be able to share our expertise with you.

2. Overview of inequality

- 2.1. The paper raises some challenging questions about the quality of public services in Wales, including the benefits of providing some public services free of charge. These are fundamental issues which many in Wales and the rest of the UK are considering. Austerity is also changing how some people view the role of the state. Our view is that the state has an extremely important role to play in enabling a decent quality of life for its citizens, through providing essential services and driving social, economic and environmental change. It also has a key role in protecting individual freedoms and human rights.
- 2.2. There have unfortunately been high profile instances of service failure, excessive top salaries, poor performance, and lack of responsiveness to service users. Equally, there are many examples of outstanding performance, modest reward for considerable effort and superb user engagement. It is important that the success of some Welsh public services is recognised and is not tarnished by a few failures. Our view is that excellent leadership (both professional and political), service innovation, and the use of evidence and active engagement of service users in the design of services are fundamental to improvement.
- 2.3. We are committed to retaining essential services free of charge at the point of use. This includes:
 - access to health care, including **all** treatment costs (i.e. free prescriptions)

- access to learning up to the age of 18, including all essential items such as text books, with additional costs (e.g. for uniforms) being kept to an absolute minimum by requiring all schools to offer a low cost uniform.
- access to libraries.
- access to public open spaces and highways (parks, roads, beaches etc).

2.4. The case for the provision of other public services free of charge should be clearly made and take up and benefit should be closely monitored.

3. Wealth, income and employment

3.1. The paper asks how Wales can be made wealthier and how wealth can be distributed equally. It is important to be aware that our current economic circumstances are the result of more than 100 years of profits being withdrawn from Wales, an unprecedented decline in the once staple industries of coal mining and metal manufacture, and successive recessions taking a severe toll on manufacturing. There is no quick fix – strengthening the economy is a long-term project.

3.2. Evidence from our own research and that of the Joseph Rowntree Foundation¹ suggests that:

- Strategies should be prepared to support the development of sectors dominated by low paid employment e.g. social care, retail and hospitality, to identify ways in which they can move away from business models based on low cost.
- The Welsh public sector should pay the Living Wage and should actively encourage other sectors to do so. Savings made in UK taxes and benefits as a result of paying the Living Wage should be transferred into the Welsh budget.
- Development of skills at all levels, though a mix of apprenticeships and vocational training, higher education and adult training is key. Training should be linked to clear pathways into occupations and reflect local labour market opportunities.
- The Work Programme should be devolved and a radical alternative developed which matches the needs of individuals with local labour market conditions, and provides sustainable routes out of poverty.
- The provision of good quality, affordable child-care should increase for those who want to work or work additional hours.
- For people who depend on benefits and pensions, advice and support to enable them to maximise incomes should be enhanced.

4. Educational and early years inequality

4.1. The paper asks what reforms of the Welsh education system should there be and if the current local education authority and education consortium structure is fit for purpose. Evidence produced by

¹ Various authors (2014) *Reducing Poverty in the UK: a collection of evidence reviews*. Joseph Rowntree Foundation. <http://www.jrf.org.uk/publications/reducing-poverty-in-the-uk-evidence-reviews>

the Joseph Rowntree Foundation² suggests that school structures little if any difference to improving educational outcomes for children from low income families. What is proven to be effective is:

- Improving the quality of teaching
- A positive home and cultural environment, which in particular promotes reading. Libraries and home-school relationships have a key role to play.

4.2. An Educational Endowment Federation³ confirms these findings and clarifies that some actions are needed at **school** level and others are needed at **classroom** level. In the school, the focus needs to be on:

- effective leadership in which there is a clear focus on improving learning
- agreed structures and processes within the school
- ensuring staff are highly and appropriately skilled
- making learning challenging for all learners
- building partnerships around the school.

In the classroom, the focus should be on:

- effective teaching and learning strategies (especially providing monitoring and feedback, and use of co-operative learning styles and small group tutoring)
- peer interactions
- good relationships between teachers and learners.

4.3. Given the conclusion that what matters is what is actually done in the school and classroom, we suggest that the emphasis in Wales should strongly be on good leadership, effective teaching and strong school–family–community relationships.

4.4. The Pupil Deprivation Grant should be used to support these approaches, as is already recommended in the guidance. Our view is that any changes should await the outcome of the full evaluation (the evaluation of the first year was published in October 2014).

4.5. In terms of Free School Meals, the current eligibility requirements are based on receipt of out-of-work benefits and so exclude large numbers of children from low income families where someone is in work. The shift to Universal Credit makes the distinction between working and non-working families much less clear cut. We suggest that, as a first step, all children of families receiving Universal Credit should be eligible for Free School Meals. Children from low income families of all ages would gain, irrespective of the work status of their parent or guardian, and changes in work status (e.g. if someone takes a temporary job) would not affect FSM eligibility. In a time of pressure

² Connelly, R., Sullivan, A. and Jerrim, J (2014) Primary and Secondary Education and Poverty, in Various authors (2014) *Reducing Poverty in the UK: a collection of evidence reviews*. Joseph Rowntree Foundation.
<http://www.irf.org.uk/publications/reducing-poverty-in-the-uk-evidence-reviews>

³ Higgins, S. (2014) *What works in raising attainment and closing the gap: research evidence from the UK and abroad*, Educational Endowment Foundation

on public spending, we suggest that this is a more cost-effective way of reaching disadvantaged children across the age spectrum, rather than children aged 4-7 from better off homes receiving free meals while disadvantaged children aged, say, 8-11 do not.

- 4.6. We agree that the low take-up of apprenticeships is a very serious cause for concern and that there are also issues about the quality of learning and the rates of pay for older apprentices. We suggest that an inquiry should be established to examine the causes and make recommendations.

5. Health inequality

- 5.1. We share concerns about inequalities in health, which mean that people from low-income backgrounds are more likely to suffer from disease and die at a much younger age than people from higher-income groups. We agree that reducing obesity, smoking and alcohol consumption could make a real difference to improving health, although lifestyle is not the only factor in ill-health.
- 5.2. **Smoking:** Our research on smoking⁴ shows that people who are unemployed or have never worked are more than three times as likely to smoke as people in professional and managerial groups. While health promotion messages have reached higher income groups, they do not reach low income smokers - the proportion of lower income smokers has *risen* in recent years. We found that people on low incomes were least likely to use the Public Health Wales's preferred quit method of 'nicotine replacement therapy combined with behavioural support' and instead relied on quit methods with very low success rates.
- 5.3. We recommended that active steps are taken to reach low income smokers, taking the view that nicotine dependence is a condition that needs treatment. This should involve:
- concentrating resources on smokers in lower socio- economic groups.
 - offering the full range of effective smoking cessation products and services, including prescription medicines, to smokers wanting to quit and doing so from day one of their interest in quitting.
 - offering Stop Smoking Wales services in a variety of settings at a variety of times, with branding appropriate to target groups.
 - providing effective alternatives to Stop Smoking Wales services for smokers unable or unwilling to use Stop Smoking Wales service – this is also important in rural areas.
 - ensuring active involvement in treatment for smoking by health professionals throughout the NHS, including those in secondary care, ante-natal services, GP practices and community pharmacies.
 - developing partnerships with organisations such as Communities First groups and social landlords to offer quitting services.
- 5.4. **Alcohol misuse:** Unlike smoking, people from professional and managerial groups are more than twice as likely to drink more than the guideline amount than people who are unemployed or have

⁴Bevan Foundation (2013) *Hitting the Quit Target*. Available at: <http://www.bevanfoundation.org/publications/hitting-the-quit-target-smoking-and-low-income-groups/>

never worked. This suggests that a minimum unit price would not have a disproportionate effect on low income groups and in our view should not be rejected on these groups.

5.5. A minimum unit price would not necessarily deter excessive drinking. The Joseph Rowntree Foundation found⁵ that young people's use of alcohol was predominantly shaped by the attitudes of family, especially parents or guardians, as well as by access to alcohol. Parents had a particularly strong influence on children's drinking, including introducing the child to alcohol, exposing the child to adult drinking and drunkenness, and supervising the child (e.g. knowing where the child is on a Saturday night). They concluded that:

- parents should be made aware of the impact of their own behaviour on their child's use of alcohol, from a young age;
- restrictions on the sale of alcohol to young people should be maintained and enforced, albeit that parents are the main source of alcohol used by young people.

5.6. In addition to the focus on lifestyle issues, we would also draw attention to the damaging effects of low income and particularly unemployment on people's health, the high incidence of work-related ill health, and the ageing population of Wales which increases demands on the NHS and social care services.

6. Housing

6.1. The quality of housing in Wales is shaped by the significantly greater average age of the housing stock, the relatively high proportion of low income households who own their own homes but who cannot afford repairs and maintenance, and marked local variations in demand, prices and hence in investment.

6.2. As well as the quality of the Welsh housing stock, we are also concerned about:

- the significant increase in the number of people who are accepted as homeless but who are not in priority need (up by approximately 50% since 2007/08⁶),
- the pressure on household budgets arising from reductions in housing benefit,
- the lack of affordability of housing (of all tenures) in areas of high demand.

6.3. We share the conclusions of the Joseph Rowntree Foundation, Shelter and others that the long term solution is the **creation of more affordable homes**. This can be achieved partly through new build of homes for owner occupation and social renting, for which there should be challenging targets, and also through making areas where housing demand is relatively low, such as the south Wales valleys, more accessible to areas of higher demand, such as Cardiff.

⁵ Bremmer, P. et al (2011) **Young People, Alcohol and Influences**, Joseph Rowntree Foundation.

<http://www.jrf.org.uk/publications/young-people-alcohol-and-influences>

⁶Stats Wales, Homelessness: Decisions taken by year and eligibility.

<https://statswales.wales.gov.uk/Catalogue/Housing/Homelessness/Acceptances-and-Other-Decisions/DecisionsTaken-by-Year-Eligibility>

6.4. In the short to medium term:

- action needs to be taken to prevent the rise in homelessness amongst those not in priority need and to provide those who are homeless with stable accommodation;
- the Discretionary Housing Payments system should be reformed and applied consistently across Wales so that people severely disabled people are permitted an extra bedroom, people whose circumstances are not transitional are allowed longer-term awards, and carers and people with shared responsibilities for children are treated consistently.⁷
- Area renewal schemes for private and social housing should continue to bring housing up to contemporary standards.

6.5. **Fuel Poverty:** Having a warm home is regarded by the public as a basic human need⁸ yet a substantial proportion of households in Wales cannot afford to heat their homes adequately. Energy efficiency programmes such as NEST simply do not have the scale or reach required to make a difference, while community-owned generation initiatives are proving difficult to establish and take forward. Wales also has a large number of hard-to-treat homes (e.g. houses with solid walls). It is hard to see how the Welsh Government's target to reduce fuel poverty will be achieved.

6.6. A great deal more could and should be done including:

- Providing a single gateway for households to access energy efficiency measures rather than the plethora of separate schemes.
- Establishing an income-based sliding scale of help with energy efficiency costs, rather than relying on eligibility for means-tested benefits, some of which have low take-up and which introduce a 'cliff-edge' between fully-funded improvements and very modest help.
- Providing targeted, pro-active local energy efficiency campaigns to increase take up, building on the expertise developed in area-based housing renewal.

7. Transport inequality

7.1. We welcome the recognition of the importance of public transport in Wales. Public transport, and especially local bus services, are relied upon by large numbers of people to get to work or essential services every day. People on low incomes, older and young people, women and disabled people are all much more likely to rely on the bus by others.

7.2. The current approach of subsidising passenger use and bus mileage with very light regulation (by a body outside Wales) is unsustainable either for passengers or the public purse. Many reports, including one by the Bus Policy Advisory Group,⁹ have identified what action needs to be taken but

⁷ See Wilcox, S (2014) *Housing benefit size criteria: impacts for social sector tenants and options for reform* Joseph Rowntree Foundation. <http://www.jrf.org.uk/publications/housing-benefit-size-criteria-impacts-social-sector-tenants>

⁸ Winckler, V. with Trickey, M. (2014) *Rethinking Poverty*, Bevan Foundation.

⁹ Winckler, V. (2014) *Report of the Bus Policy Advisory Group*. <http://wales.gov.uk/topics/transport/public/review-bus-policy/?lang=en>

little progress has been made. Local authorities vary hugely in their competence in this area. Yet bus is a **national** issue and its policy and funding should be handled as such.

7.3. We suggest that:

- An arms-length body accountable to Ministers, *Transport Wales*, should be established to provide strategic direction, technical expertise and a robust interface with bus and rail operators.
- The powers of the Traffic Commissioner should be transferred to the National Assembly, failing this a Wales office should be co-located in Transport Wales.
- The Bus Service Operators Grant should be reformed to reward and incentivise a high standard of service, as recommended in the Bus Policy Advisory Group.
- A network development fund should be established to facilitate the joint working by bus operators, highways authorities and operators of key destinations (such as hospitals, retail parks and colleges) and to invest in route development (e.g. reducing congestion, improving bus information and interchanges) as recommended by the Bus Policy Advisory Group. This would include funding for 'routes to work' to serve key employment sites at work-friendly times.

Victoria Winckler, Director,

Bevan Foundation, 145a High Street, Merthyr Tydfil CF47 8DP

Tel. 01685 350938

Email: info@bevanfoundation.org

Registered Charity no. 1104191